

Committee Name and Date of Committee Meeting

Audit Committee – 25 June 2024

Report Title

Publication of unaudited Statement of Accounts 2023/24

Is this a Key Decision and has it been included on the Forward Plan?

No

Strategic Director Approving Submission of the Report

Judith Badger, Strategic Director of Finance and Customer Services

Report Author(s)

Rob Mahon (Assistant Director, Financial Services), Natalia Govorukhina (Head of Corporate Finance)

Finance & Customer Services Directorate

01709 254518 rob.mahon@rotherham.gov.uk

01709 910147 natalia.govorukhina@rotherham.gov.uk

Ward(s) Affected

Borough-Wide

Report Summary

The Council's annual accounts are the principal means by which the Council is held publicly accountable to local and national stakeholders over the stewardship of its resources.

The report to Audit Committee in January 2024 highlighted the approach to be taken by the Council in ensuring that the draft unaudited Statement of Accounts would be published in accordance with the Accounts and Audit Regulations 2015.

The draft unaudited Statement of Accounts 2023/24 were published on the Council's website by the deadline of 31 May 2024. The intention was for the final audited accounts to be presented to Audit Committee at the end of September 2024 in line with the statutory deadline, however, Grant Thornton have indicated that due to capacity constraints it is likely to be late November or early December for the completion of the audit of the accounts. A report on the Grant Thornton audit plan is on this meeting agenda.

Recommendations

1. The Audit Committee is asked to receive the draft unaudited Statement of Accounts 2023/24.

List of Appendices Included

Appendix 1 Narrative Report 2023/24

Appendix 2 Highlights Report setting out key matters reported in the 2023/24 accounts

Appendix 3 Unaudited Statement of Accounts 2023/24

Appendix 4 Informing the Audit Risk assessment 2023/24

Background Papers

CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2023/24
Accounts and Audit Regulations 2015

Audit Committee meeting – 9th January 2024

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No

Council Approval Required

No

Exempt from the Press and Public

No

Closure of the Accounts 2023/24

1. Background

- 1.1 The Code of Practice on Local Authority Accounting 2023/24 together with the Accounts and Audit Regulations 2015 set out the accounting and statutory framework for local authority financial reporting.
- 1.2 Under the Accounts and Audit Regulations 2015, local authorities are required to publish their unaudited accounts no later than 31 May accompanied by a Narrative Report and draft Annual Governance Statement. This triggers a period of 30 working days for local electors to exercise their rights to inspect the accounts and supporting records and to ask questions of the external auditor.
- 1.3 A timetable for the production of the Council's accounts was presented to Audit Committee in January 2024, indicating the Council's draft accounts would be published on 31 May 2024. The draft unaudited Statement of Accounts 2023/24 was published on the Council's website alongside the Narrative Report and draft Annual Governance Statement on 31 May 2024, in line with these timelines. The period for local electors to exercise their rights has commenced on 3rd June 2024 and will cease on 12th July 2024.
- 1.4 Where appropriate, Grant Thornton will set out any material adjustments made to the accounts and any uncorrected differences of a non-trivial nature. Grant Thornton have indicated in their audit plan that the accounts materiality for planning purposes is £9.85m (£9.41m in 2022/23). Individual transactional level materiality was set at £470k in 2022/23. Grant Thornton will revisit these materiality figures in July and confirm the final figures.
- 1.5 Audit Committee will be asked to formally approve the audited Statement of Accounts for publication having regard to Grant Thornton's findings and opinion on whether the accounts give a true and fair view of the Council's financial performance for the year and its financial position at the end of the year and whether they have been prepared in accordance with proper practice. Grant Thornton have indicated that due to capacity constraints it is likely to be late November or early December for the completion of the audit of the accounts.

2. Key Issues

- 2.1 The Council's draft unaudited Statement of Accounts 2023/24 that have been published on the Council's website are attached as Appendix 3. The accompanying Narrative Report is attached as Appendix 1. Appendix 4 shows the Council's response to enquiries from Grant Thornton about issues that inform their audit risk assessment. The areas covered include fraud, laws and regulations and accounting estimates.

2.2 The accounts have been produced in accordance with The CIPFA code of practice. The new standard for lease accounting, IFRS 16 was originally due to be implemented in 2021/22 but after consultation this has been delayed until 1st April 2024. Narrative has been included in the 2023/24 accounts noting the expected impact of IFRS 16 on the 2024/25 accounts.

3. Options considered and recommended proposal

3.1 Compliance with the Accounts and Audit Regulations 2015 is a statutory requirement. The Regulations state that the Council's "responsible financial officer" is required to sign-off the draft unaudited Statement of Accounts by the statutory date and confirm that they are satisfied it presents a true and fair view of the Council's financial position for the financial year.

4. Consultation on proposal

4.1 Close liaison continues to be maintained with the Council's External Auditors to ensure that complex accounting issues and action taken in response to changes to the local authority accounting framework are agreed in advance of the accounts being prepared.

5. Timetable and Accountability for Implementing this Decision

5.1 The statutory deadline for publishing the draft unaudited Statement of Accounts for 2023/24 by 31 May has been met. The statutory deadline for publishing the audited financial statements for 2023/24 is 30 September 2024.

Financial and Procurement Advice and Implications

5.2 There are no financial or procurement implications directly associated with closure of the accounts, other than the impact on the audit fee of having good quality financial statements and supporting working papers which meet Grant Thornton's expectations.

6. Legal Advice and Implications

6.1 None, other than ensuring compliance with the requirements of the Accounts and Audit Regulations 2015.

7. Human Resources Advice and Implications

7.1 There are no Human Resource implications arising from the report.

8. Implications for Children and Young People and Vulnerable Adults

8.1 There are no implications arising from the proposals to Children and Young People and Vulnerable Adults.

9. Equalities and Human Rights Advice and Implications

9.1 There are no implications arising from this report to Equalities and Human Rights.

10. Implications for Partners

10.1 The NHS requires information on how the pooled budgets operated under the Better Care Fund have been spent to an earlier timetable than that of the Council. Arrangements have been made to ensure this earlier timetable is met. There are no other implications arising from this report to Partners or other directorates.

11. Risks and Mitigation

11.1 Robust project management arrangements have been put in place to ensure that the timetable is adhered to and quality standards met.

12. Accountable Officer(s)

Judith Badger (Strategic Director of Finance & Customer Services)

Approvals obtained on behalf of:-

	Named Officer	Date
Chief Executive	Sharon Kemp	Click here to enter a date.
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	Click here to enter a date.
Assistant Director of Legal Services (Monitoring Officer)	Phillip Horsfield	Click here to enter a date.
Assistant Director of Human Resources (if appropriate)	Lynsey Linton	Click here to enter a date.
Head of Human Resources (if appropriate)		Click here to enter a date.

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